

Testimony on SB 374**By: Wade Sikorski**

My name is Wade Sikorski. I live in Fallon County, on a ranch between Baker and Ekalaka. Fallon County, as you may know, is home to a conventional oil field.

I think that oil and gas companies should pay a fair share of the taxes it takes for a community to support an oil field. Thanks to the oilfield in Fallon County, which, because it is not able to take advantage of the tax holiday, has a great deal of tax money to build infrastructure. Our county has excellent roads, relatively new and well maintained public buildings, and the latest equipment. The schools have an Olympic size swimming pool and a football field covered with AstroTurf. And our property taxes are low.

Despite the wealth of the county and the schools, the city of Baker is hard pressed to deal with the infrastructure demands that come with being so near to the Bakken. There is considerable conflict between the city government and the county government, which sometimes spills on to the front page of the Fallon County Times. Not too long ago, when the county needed to increase the water supply to the county fairgrounds, the city refused to build a big enough pipeline, saying it didn't have the money, and if the county wanted more water, it could pay for it. A surprisingly vicious debate ensued.

Throughout the Bakken, towns like Baker are not getting the money they need to cover the cost of building and maintaining the infrastructure needed for the increasing demands oil companies are placing on them. Using general funds means that taxpayers in the western part of the state are paying for the infrastructure in eastern

Montana and getting nothing in return. The cost is being shifted from the oil companies to them. This, just isn't fair.

If you ever visit Baker, I encourage you to take a trip out to the county landfill. It is a nice landfill, but that isn't the reason you should visit it. You should go to see the oilfield and the wind farm that surrounds it. It is a unique spot, where you can compare the impacts of both energy technologies in a single glance. If you stand on a hilltop near the landfill, and slowly turn around, in the few moments it takes to complete the circle, I think you will agree with me why oil companies do not deserve a tax holiday.

The windmills are industrial works of art, standing tall and graceful, whispering in the wind. The oilfield below them looks like hell, quite frankly. The land is scared with roads, pipelines, pumps, dilapidated buildings, and bare patches of ground where weeds won't even grow. You just know there is something unhealthy about it, and you just know that when the oil companies pack up and leave, they are going to be taking a lot more with them than they leave behind.

Unconventional oil fields, like the Bakken, are even worse. It takes a lot more to get the same amount of oil out of the ground--millions of gallons of water, endless lines of trucks, chemicals so toxic the oil companies won't tell you what they are. Ending the tax holiday, making the oil companies cover the cost to communities and the land, is a step toward justice.

Earlier this session, I came up to Helena to lobby on several bills that would remove the obstacles preventing homeowners and small businesses from net metering, which uses renewable energy, either as wind or solar, to compensate for electricity from the grid. The advocates of these bills, which included installers who wanted to expand their businesses and people like me who wanted to be able to

generate their own electricity, did not ask for subsidies. They asked for the government to get out of their way, and let the market work.

When the advocates for this bill sit down, and the opponents come up to speak, on the other hand, they are going to be defending a subsidy that redistributes the burden of oil field development from the oil companies to the general taxpayer. They are going to say its economic development, and we all benefit, but the truth is, no we don't. There is a huge cost shift going on, benefiting out-of-state billionaires and burdening the people that voted for all of you.

The net metering bills that I lobbied on were all tabled, mostly because NorthWestern argued that people who net metered were not paying the full cost of maintaining the net, shifting costs to people who did not net meter. In fact, NorthWestern is wrong about this. Public Service Commissions all over the country have examined this issue, and have found there is no cost shift. But never mind.

The reason the net metering bills were tabled is because a majority of legislators committed themselves to the principle that people who don't benefit from something shouldn't have to pay for people who do. It isn't fair. I actually agree with this principle, and that is why I think we need to end the tax holiday for oil companies. If the legislature isn't going to let net metering shift costs, it shouldn't let oil companies shift costs either. What's fair for the goose is fair for the gander.